

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 018020

15

ORIGIN OPIC-06

INFO OCT-01 AF-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 L-03 FTC-01 AGR-05 /061 R

DRAFTED BY OPIC/F: TPARNELL

APPROVED BY EB/IFD /OIA: RJSMITH

EB/IFD/OIA:DSTEBBING

AF/C:DLCARDWELL

----- 010896

P 240124Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY KIGALI PRIORITY

LIMITED OFFICIAL USE STATE 018020

E.O. 11652:N/A

TAGS: EFIN

SUBJECT: TEA PROJECT

1. IFC INFORMED BY LONDON OFFICE OF CDC OF CALL FROM BIRARA INQUIRING WHETHER THEY COULD CONSIDER FINANCING THE CYOHOHO-RUKERI TEA PROJECT AND DESCRIBING WERTHEIM TERMS AS UNACCEPTABLE. OPIC, IFC AND WERTHEIM CONFUSED BY DEVELOPMENT IN LIGHT OF RECENT PROGRESS IN DEALING WITH OUTSTANDING ISSUES. WERTHEIM HAS RECEIVED LETTER FROM MINFIN AMENDING JOINT VENTURE AGREEMENT AS REQUESTED AND AGREEING TO PROHIBIT DISCRIMINATORY TAXES. THUS, ONLY OUTSTANDING ISSUES APPEAR TO BE: (1) OCIR/T OVERRUN COMMITMENT - OCIR/T HAS AGREED TO THE CONCEPT. DIFFICULTY REGARDING WORDING OF COMMITMENT SEEMS MINOR. (2)TRANSFORMER FOR CONSTRUCTION SITE - APPARENTLY OCIR/T HAS LOCATED ADEQUATE TRANSFORMER. (3) OPIC TAX EXEMPTION - OPIC NEEDS LETTER FROM MINFIN CONFIRMING OPIC EXEMPTION

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 018020

FROM PAYMENT OF TAXES ON INTEREST AND PRINCIPAL PAYMENTS

AND REIMBURSEMENT OF EXPENSES. JOINT VENTURE AGREEMENT
REQUIRES MINFIN TO CONFIRM THIS EXEMPTION. (4) WERTHEIM
TAX CONCESSIONS- WERTHEIM NEEDS LETTER FROM MINFIN
ASSURING BENEFITS UNDER INVESTMENT CODE, AND VARIOUS TAX
CONCESSIONS, INCLUDING EXEMPTIONS FROM IMPORT TAXES, CON-
TAINED IN JOINT VENTURE AGREEMENT. IN ADDITION WERTHEIM
HAS REQUESTED MINFIN RULING ON QUESTION OF DOUBLE TAXATION
APPLICATION OF INCOME TAXES TO CONTRACTOR, AND REGISTRA-

TION TAX ON CAPITAL SUBSCRIPTION.

2. DO NOT WISH TO CAUSE UNDO ALARM AT THIS POINT AS
INFORMATION IS SECOND HAND. HOWEVER, DEVELOPMENT, IF
TRUE, SURPRISING AND DISTURBING AS REMAINING POINTS TO BE
NEGOTIATED DO NOT SEEM SUBSTANTIVE. GRATEFUL EMBASSY
ASSESS AND COMMENT. DECLASSIFY UPON RECEIPT. SISCO

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, TEA, PROGRAMS (PROJECTS), JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Draft Date: 24 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE018020
Document Source: CORE
Document Unique ID: 00
Drafter: TPARNELL
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760027-0628
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760124/aaaaavkz.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN OPIC
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 13 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 MAY 2004 by ShawDG>; APPROVED <13 MAY 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TEA PROJECT
TAGS: EFIN, RW, IFC, WERTHEIM
To: KIGALI
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006